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WORLD SURVEY OF TRANSPORTATION POLICY

The studies contained in this two-volume report were prepared at the request of the President's Air Policy Commission. The Commission suggested the analysis of certain features of transportation policy with respect to merchant shipping, railway, inland waterway and highway transportation in the eleven countries which were selected for a similar study on civil aviation policy. These studies, accordingly, should be considered in connection with the results of the civil aviation survey contained in a previous volume of this series.

The President's Air Policy Commission desired to have the survey include other forms of transportation, as well as civil aviation, on the grounds that a study of policy concerning these media might have a bearing on its consideration of civil aviation policy.

In many countries there are differences which set civil aviation apart from the other means of transportation and exert an influence on policy. The most basic of these are due to the effects of the war. The hostilities disastrously affected surface transportation systems throughout Europe and in the western part of the USSR, as well as in China. Furthermore, the necessity for deferring maintenance throughout the world, an indirect result of the war, caused serious deterioration in the transportation systems of most countries.

The effects of the war with respect to merchant shipping were also far-reaching, although they manifested themselves in other ways. A substantial redistribution of the world merchant fleets was caused by (a) losses of ships through military action, and other causes related to the war, and (b) the great productivity of shipyards in the US, Canada and the United Kingdom. As a result of these factors, total world tonnage was materially increased while merchant fleets of some nations were greatly reduced or eliminated. During this period, on the other hand, air transport enjoyed an unprecedented stimulus from the enormous requirements for transportation created by the war.

The foregoing circumstances have determined the main post-war problems connected with merchant shipping, railway, inland waterway and highway transportation in many countries concerned primarily with overcoming the effects of the war and re-establishing pre-war levels of activity. Civil aviation, on the other hand, can still draw on a large stockpile of commercial transport aircraft and a total potential

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world production far in excess of world peace-time demands. The problems which confront civil aviation are discussed in the preceding volume of this series.

Transportation policy is influenced frequently by a further fundamental difference between civil aviation and the other forms of transportation. This difference lies in the relative ease with which air communications between remote and isolated areas can be established. (This is particularly conspicuous in South America, which has been backward in organizing adequate surface transport.) In such areas, emphasis is now being placed on civil aviation development, rather than on the extension of existing rail facilities. It is true that the capacity of airlines cannot approach that of rail or highway carriers and that air operations, accordingly, could not satisfy the transportation demands of a large-scale regional economic development. On the other hand, the political, strategic and economic advantages of air communications can be made available almost without delay.

This survey has revealed that in all eleven countries under consideration, a Ministry responsible for transportation has been established. In several cases, however, the Ministry of Transport does not handle all forms of transportation. Civil air policy is separately administered in five of the countries. In fact, there are instances, for example in the United Kingdom, where responsibility for civil aviation has been removed from an existing Ministry of Transport and placed in a newly-created Ministry of Civil Aviation.

The efficiency with which transportation policy is implemented in the eleven countries varies greatly. As was pointed out in the previous volume on civil aviation, however, it appears impossible to identify efficiency with any specific form of governmental organization. The integration of transportation policy has not necessarily guaranteed efficiency. The efficiency of these agencies has been perforce adversely affected when severe political strains complicate the administration of a government. In France, for example, a recent Communist Minister was more occupied with promoting his party's interests than in raising the efficiency of his organization. Under such circumstances, the integration of all forms of transportation under one individual seems at times to have involved a sacrifice of efficiency as compared with the results of a more decentralized treatment.

The survey indicates that subsidization of all forms of transportation is effected wherever the national interest is sufficiently compelling and the financial condition of the country permits. However, there is a basic difference between civil aviation and the other forms of transportation, which bears on this question. All of the other media are older and have had time to stabilize their operations. Civil aviation, on the other hand, is so important strategically to many countries,

that they are not willing to await its normal development under its own resources.

Participation by other forms of transportation in civil air operations has been found to be almost universal. Its most frequent form is that of non-managing minority stock ownership. In several countries, however, shipping interests or railway companies directly operate air transport lines. In some countries, on the other hand, (UK, France, Netherlands) government policy seems to be antagonistic to such direct operational participation.

The surface forms of transportation do not now raise world-wide questions of international policy to the same extent as civil aviation. This is explained by: (a) the long tradition of international negotiations regarding surface transportation; (b) the basic organization of this activity which is recognized with few exceptions by all interested parties; (c) the large number of international treaties which legally regulate surface transportation; and (d) the absence of a multilateral agreement on civil aviation, and the continued existence of sharp disagreements over the principles which should govern international air transport operations.